

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRUKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE

(No Surface Use)

EVOINGELYN OUTEN CLULTOOLT		6
whose addresss is 3801 ITTINOIS AVENUTE FOR	tulonth Texa	4 7 C// as Lessor,
and, DALE PROPERTY SERVICES, L.L.C., 2100 Rose Avenue, Suite 1870 Dalla, hereinabove named as Lessee, but all other provisions (including the completion of bit	5 Texas 75201, as Lessee. All print	ed portions of this lease were prepared by the party
In consideration of a cash bonus in hand paid and the covenants herein	ontained, Lessor hereby grants, h	eases and lets exclusively to Lessee the following
described land, hereinafter called leased premises:		
	1	1.1
OUT OF THE MORIOUS SIDE PORTS	<u> </u>	, BLOCK _ 🖳
OUT OF THE MORIONICASIAE PARM	ADD	ITION, AN ADDITION TO THE CITY OF
	NTT. TEAMO, MUUUNUINU	TO THAT CERTAIN PLAT RECORDED
IN VOLUME 388-C , PAGE 139	OF THE PLAT RECORDS (OF TARRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing . 183 gross a	cres, more or less (including any inte	rests therein which Lessor may hereafter acquire by
reversion, prescription al' otherwise). For the purpose of exploring for, developing, i	producing and marketing oil and gas	s, along with all hydrocarbon and non hydrocarbon
substances produced in association therewith (including geophysical/seismic ope commercial gases, as well as hydrocarbon gases. In addition to the above-describ	rations). The term "gas" as used ed leased premises, this lease also :	covers accretions and any small strips or parcels of
land now or hereafter owned by Lessor which are continuous or adjacent to the abo	ove-described leased premises, and,	in consideration of the aforementioned cash bonus,
Lessor agrees to execute at Lessee's request any additional or supplemental instrum of determining the amount of any shut-in royalties hereunder, the number of gross ac	ients for a more complete of accurate tree above enecified shall be deamed.	: description of the land so covered. Her the purpose correct, whether actually more of less.
of determining the amount of any statem to falles hereander, the homest of gross ac-	TES ABOVE SPECIFICO STAIN OF GEOMET	12
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force	for a primary term of	
as long thereafter as oil or gas or other substances covered hereby are produced in otherwise maintained in effect pursuant to the provisions hereof.	paying quantities from the leased pre	mises or from lands pooled therewith or this lease is
Royalties on oil, gas and other substances produced and saved hereunde separated at Lessee's separator facilities, the royalty shall be	r shall be paid by Lessee to Lessor a	as follows: (a) For oil and other liquid hydrocarbons
separated at Lessee's separator facilities, the royally shall be <u>ILLENTUTE IM</u> Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation (acil	EPOCE (2) %) of su	ich production, to be delivered at Lessee's option to
the weithead market price then prevailing in the same field (or if there is no such r	price then prevailing in the same field	d, then in the nearest field in which there is such a
_prevailing price) for production of similar grade and gravity; (b) for das (includi	ng casing head gas) and all other	substances covered hereby, the royalty shall be
production, severance, or other excise taxes and the costs incurred by Lessee in de	oy Lessee from the sale thereof, is elivering processing or otherwise me	ass a proportionate part of ac valorem taxes and irkeling such day of other substances, provided fital
Lessee shall have the continuing right to purchase such production at the prevailing	wellhead market price paid for produ	ction of similar quality in the same field (or if there is
no such price then prevailing in the same field, then in the nearest field in which the		
the same or nearest preceding date as the date on which bessee commences its pu- more wells on the leased premises or lands pooled therewith are capable of either pr		
are walting on hydraulic fracture stimulation, but such well or wells are either shul-in	or production there from is not being t	sold by Lessee, such well or wells shall nevertheless
be deemed to be producing in paying quantities for the purpose of maintaining this there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of on		
Lessor's credit in the depository designated below, on or before the end of said 90-c		
while the well or wells are shut-in or production there from is not being sold by Lesse	ie; provided that if this lease is otherv	wise being maintained by operations, or if production
is being sold by Leasee from another well or wells on the leased premises or lands following dessation of such operations or production. Leasee's failure to properly pre-	- pooled therewith, no shut-in foyally av shut-in rovally shall render Lesso:	shall be due until the end of the 90-day period next e liable for the amount due, but shall not operate to
lerminate this lease.		
 All shut-in royally payments under this lease shall be paid or tendered to Le be Lessor's depository agent for receiving payments regardless of changes in the ow 	essor or to Lessor's credit in <u>at less</u>	gor's address above or its successors, which shall
draft and such payments or lenders to Lessor or to the depository by deposit in the	US Mails in a stamped envelope add	iressed to the depository or to the Lessor at the last
address known to Lessee shall constitute proper payment. If the depository should t	liquidate or be succeeded by another	r institution, or for any reason feil or refuse to accept
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper rec 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which i	is incapable of producing in paying d	istitution as depository agent to receive payments. uantities (hereinafter called "dry hole") on the leased
premises at lands pooled therewith, or if all production (whether or not in paying a	quantities) permanently ceases from	any cause, including a revision of unit boundaries
pursuant to the provisions of Peragraph 6 or the action of any governmental aut nevertheless remain in force if Lessee commences operations for reworking an exist	Jiority, liten in the event this lease. Und well of for drilling an additional w	is not otherwise being maintained in force it shall tell or for otherwise obtaining or restoring production
on the leased premises or lands pooled therewith within 90 days after completion of	operations on such dry hole or within	i 90 days after such cessation of all production. If at
the end of the primary term, or at any time thereafter, this lease is not otherwise to operations reasonably calculated to obtain or restore production therefrom, this lease	oing maintained in force but Lessée strait remain in force so long as surv	pis then engaged in drilling, reworking or any other Sone or more of such operations are prosecuted with
no cessation of more than 90 consecutive days, and if any such operations result is	n the production of oil or gas or ollid	resubstances covered hereby, as long thereafter as
there is production in paying quantities from the leased premises or lands pooled the Lessee shall drill such additional wells on the leased premises or lands pooled there.	erewith. After completion of a well of	apable of producing in paying quantities hereunder,
to (a) develop the leased premises as to formations then capable of producing in p	paying quantities on the leased premi	ises or lands pooled therewith, or (b) to protect the
leased premises from uncompensated dratnage by any well or wells located on othe additional wells except as expressly provided herein.	r lands not pooled therewith. There	shall be no covenant to drill exploratory wells or any
B. Lessee shall have the right but not the obligation to pool all or any part of	the leased premises or interest there	ein with any other lands or interests, as to any or all
depuis or zones, and as to any or all substances covered by this lease, either befi	ore or after the commencement of n	roduction, whenever Lessee deams it necessary or
proper to do so in order to prudently develop or operate the leased premises, whethe unit formed by such pooling for an oil well which is not a horizontal completion shall	not exceed 80 acres plus a maximum	m accesos tolerance of 10%, and for a cas well or a
norizontal completion shall not exceed 640 acres plus a maximum acreage tolerance	of 10%; provided that a lamer unit m	say be formed for an oil well or gas well or borizontal
completion to conform to any well spacing or density pattern that may be prescribed of the foregoing, the terms "oit well" and "gas well" shall have the meanings prescri	or permitted by any governmental at hed by suplicable law or the appropri	Afronity having jurisdiction to do so, For the purpose
prescribed, oil well means a well with an initial gas-oil ratio of less than 100,000 cul	bic feet per barret and "das well" mea	ios a well with an initial gas-oil ratio of 100 000 cubic
feet or more per barret, based on 24-hour production test conducted under norm equipment; and the term "horizontal completion" means an oil well in which the !	nal producino conditinos usino stano	datel lease senaralor facilities or equivalent testino
equipment, and the term "norizontal completion" means an oil well in which the hor	dzonial component of the cross com	inletion interval in the representation laviation delication
component mercor. In exercising its pooling rights hereunder. Lessee shall file of :	record a written declaration describin	on the unit and elation the effective date of product
Production, drilling or reworking operations anywhere on a unit which includes all reworking operations on the leased premises, except that the production on which t	eason's royally is epiculated shall be	that proportion of the total unit production which the
het acreage covered by this lease and included in the unit bears to the total gross	acreage in the unit but only to lite.	extent such proportion of unit production is sold by
Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights unit formed hereunder by expansion or contraction or both, either before or after o	hereunder, and Lessee shall have th	to recurring tight but not life obligation to revise any
prescribed of permitted by the governmental authority having jurisdiction, or to conf	form to any productive acreage detail	rmination made by such deveragental authority. In
making such a revision, Lessee shall lile of record a written declaration describing th	he revised unit and alation the effecti	we date of revision. To the extent any portion of the
teased premises is included in or excluded from the unit by virtue of such revision, the adjusted accordingly. In the absence of production in paying quantities from a unit	ne proportion of unit production on wi the or upper permanent coessites there	hich royallies are payable hereunder shall thereafter
a written declaration describing the unit and stating the date of termination. Proling t	na e. open permenent gesaatjon titelt nateunder shall not constitute a cross	-conveyance of interacte

7. If Lessor owns less than the full interal estate in all or any part of the lessed premises, the royalties and shut-in royalties payable hereunder for any well on any part of the lessed premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the lessed premises.

such part of the leased premises.

3. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferre to satisfy such obligations with respect to the transferred interest shall be divided between Lessee and the transfere in proportion to the net acreage interest with health of the pay or tender shut-in royalties hereunder shall be divided between Lessee and the transfere in proportion to the net acreage interest in this lease, then obligation to pay or tender shut-in royalties hereunder in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arisin

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, lanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produces, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements row on the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, when appears or operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, when appears or operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, the processary permits are respectively.

production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or essements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by lability to obtain a satisfactory market for production or feiture of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessor has given Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is ittigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

16. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until tensions with the such beautiful to the payment of royalties. Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different ferms of this transaction has any different terms. different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Eangelyn allen By: ACKNOWLEDGMENT STATE OF COUNTY OF 1011 This instrument petore me on the 2008. KISHA G. PACKER POLK Notary Public, Stale of Notary Public, State of Texas Notary's name (printed) Wy Commission Expires Notary's commission expires: April 15, 2012 STATE OF COUNTY OF This instrument was acknowledged before me on the 2008, day of

> Notary Public, State of Notary's name (printed) Notary's commission ex



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

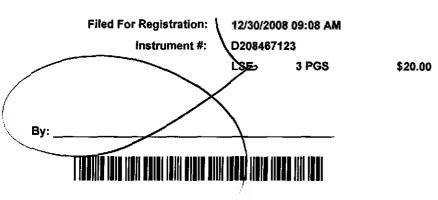
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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